

30 September 2022

Immotion Group plc

("Immotion Group", the "Company" or the "Group")

Interim Results

Immotion Group plc (AIM:IMMO), the immersive entertainment group, is pleased to announce its unaudited interim results for the six months to 30 June 2022 and an update on trading based on unaudited management estimates.

Highlights

- H1 2022 revenue from continuing operations showing a 91% increase to £4.4m (H1 2021: £2.3m; H2 2021 £4.1m)
- H1 2022 EBITDA from continuing operations rose 150% to £0.5m (H1 2021: £0.2m, which included £0.3m of income from COVID government grants)
- Entry into zoo market with three partner site openings: Milwaukee County Zoo and Pittsburgh Zoo (July) and Chester Zoo (August)
- In principle agreement reached (subject to contract) to sell Uvisan for estimated cash consideration of £100k*
- In principle agreement for £250k third party investment for the Home Based Entertainment (HBE) business in exchange for 51% ownership of this business*

*both deals are expected to complete within next few weeks. Further detailed announcements will be made at that time.

Note: Uvisan and HBE now classed as discontinued operations and reported as such for H1. Continuing operations consist of the Location Based Entertainment (LBE) business along with its direct costs and Group overheads.

Current Trading Update

We expect revenue from continuing operations in Q3 to be approximately £3.4m and adjusted EBITDA of approximately £0.7m, resulting in total revenue for the 9 months ended 30 September 2022 of approximately £7.8m and EBITDA of £1.2m from continuing operations.

Our first three zoo installations featuring our new 'Gorilla Trek' offering – Milwaukee County Zoo, Pittsburgh Zoo and Chester Zoo – launched in July and August 2022. These have been well received by Partners and guests alike and we have learnt a lot from these early installations and will use the knowledge gained to further develop and hone our offering.

The second half of 2022, as we expected, started very strongly with excellent trading across the estate in the summer months of July and August. We will of course see the normal seasonal slow-down from September, as school holidays have ended in both the USA and UK.

Agreement has been reached, subject to contract, for the disposal of the Uvisan business for cash consideration of circa £100,000, and to raise £250,000 in new funding for the HBE business, in exchange for 51% ownership of this business. Full details of the proposed

transactions will be announced when the deals complete, which we expect to be within the next few weeks.

Chairman's Statement

With revenue of £4.4m for the first half of 2022, almost double the same period last year (and exceeding that of our seasonally stronger H2 last year) the strength of our core LBE business is being demonstrated clearly and I am excited by its growth prospects.

The decision to focus all our efforts on LBE is delivering results and with the disposal of Uvisan and the spin out of HBE now agreed in principle we can, as we move through the remainder of H2, focus our planning and resources on accelerating growth of our core LBE partner estate.

We believe that considerable growth opportunities lie ahead of us in both the aquarium sector, where we are now a well-established player, and in the zoo market where we have taken our initial steps in what should be an even larger market.

Our first three 'Gorilla Trek' zoo installations were completed in July and August 2022, all being 'takeovers' of buildings (or part buildings) of differing sizes. These have been well received by Partners and guests alike. We have learned a lot from our initial entry into this market and we are further developing our offering to be able to accelerate growth in this exciting market. This is discussed in more detail in the Chief Executive's review below.

The LBE business has enjoyed a very strong Q3 with revenue expected to be circa £3.4m compared to £2.3m for the same period last year, a 48% increase. We anticipate EBITDA for continuing operations in Q3 to be circa £0.7m, taking the year to date to around £1.2m.

With strong year to date trading, a renewed focus on our core business and plenty of opportunity in our established and new offerings, we look forward with confidence.

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Enquiries:

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Chief Executive's Review

We are delighted with the performance of the business in H1, delivering £4.4m of revenue from continuing operations (H1 2021: £2.3m). H1 2022 revenue also exceeded that of H2 2021, which is traditionally our stronger half of the year.

Unaudited gross profit from continuing operations was £2.0m (being total revenue less partner share and other direct costs of sales, including rent and payroll for our ImmotionVR sites). This is double the same period in 2021, with margins rising to 46% from 44% in H1 2021. EBITDA from continuing operations in the period was £0.5m (H1 2021: £0.2m, which was inclusive of £0.3m of COVID government grants).

Total administrative expenses (excluding depreciation, amortisation, share based payments and one-off items) of continuing operations were £1.6m (H1 2021: £1.2m). Whilst our operating costs are not immune from inflationary pressures, and we have made a small number of new hires as part of our growth planning, we expect operating costs to remain fairly stable and the operational gearing of the business to be demonstrated as revenues grow with the expansion of our estate.

The loss before tax from continuing operations narrowed to £0.3m (H1 2021: £1.1m loss). The H1 2022 result is net of depreciation and amortisation of £0.7m (2021: £1.0m). The reduction in this charge reflects the prudent approach we have taken historically to depreciation of all plant and equipment, much of which, whilst still in use, has already been fully depreciated.

With the benefit of several years of operating experience now under our belt, we are confident that the actual useful life of our key hardware such as motion platforms is comfortably in excess of the three years over which we have been depreciating it in full. Whilst this cautious approach has much to commend it, we believe on reflection that this has tended to provide an overly pessimistic picture of our trading results at EBIT level and as such we have changed the basis of the VR cinema pod depreciation to a seven-year useful life.

This change is based on a combination of historical data and hardware testing and has been applied to relevant assets on hand at or acquired after 1 January 2022. Prior periods have not been restated in respect of this policy change.

During H1, when it became clear that further lockdowns could be taking place in China and that global shipping conditions, though improving, could deteriorate again, we invested further in our stock of motion platforms and headsets. We currently hold 136 motion platform pod seats in stock ready to be deployed.

Our estate has grown from 364 headsets (across 48 sites) at the beginning of the year to 414 headsets (across 50 sites) as 30 June 2022. As at today's date the Group has 476 headsets (across 52 sites). This increase in seats has been driven both by an increase in the number of seats at established sites such as Shark Reef Aquarium at Mandalay Bay, OdySea Aquarium and SEA LIFE London (32 seats in aggregate); and new installations, predominantly the 70 headsets in aggregate installed across our first three zoo partner sites in July and August 2022.

With known install opportunities for the remainder of the year, we remain confident of exceeding 500 installed headsets by year end.

Our portfolio as at 30 September 2022 is presented in the table below.

	Total		USA		UK		ROW	
	Sites	Headsets	Sites	Headsets	Sites	Headsets	Sites	Headsets
At 1 January 2022	48	364	26	204	13	105	9	55
Additions at existing sites	-	32	-	18	-	14	-	-
New sites in 2022	8	98	6	86	2	12	-	-
Uninstalled in 2022	(4)	(18)	(2)	(10)	(2)	(8)	-	-
At 30 September 2022	52	476	30	298	13	123	9	55

We have learned a lot from our initial entry into the zoo market and it is apparent that in order to maximise the speed of roll-out to a large number of high traffic sites (many of which have no surplus indoor space) we need a standardised 'drop-in' pre-fabricated solution.

This should be capable of being deployed outdoors, balancing the need for ease of installation with capacity to serve large volumes of customers, whilst delivering attractive returns for Immotion and its partners.

With our new solution at an advanced stage of development we are looking to make at least one installation of this format in this calendar year and data from this installation will help drive our accelerated roll-out plan for zoos in 2023 and beyond. We have in the meantime been building interest with zoos in this product and the response has been encouraging.

We will be exhibiting at a number of key industry events in H2 2022 to further stimulate demand in both the aquarium and zoo markets.

Discontinued operations

Uvisan and HBE have been classed as discontinued operations for the period and historic comparables restated on that basis. In the period, the aggregate revenue from discontinued

operations was £0.4m (H1 2021: £0.4m) with an operating loss of £47k (H1 2021: £0.2m). Aggregate operating cash outflow was £0.2m (H1 2021: £0.4m outflow).

We took the decision to dispose of or spin out our HBE division in the early part of 2022 in order to focus our time and resources on our core LBE business. We still believe that the HBE business has potential and we have had some initial success in trials with a major shopping channel and we are seeing other B2B opportunities.

However, we do not want to fund this business ourselves going forward and so have agreed (subject to contract) to raise £250K in exchange for a 51% equity stake in this business in order to provide this funding. Immotion will have board representation but day-to-day management will fall to the new partner.

The decision to retain a meaningful stake in this business allows the Group to participate in any upside whilst removing the cash and management requirements, allowing us to focus our efforts on the LBE division.

Whilst Uvisan has longer-term potential to scale, it does require ongoing investment in stock and it is still establishing its distributor base. As we seek to focus all our resources on our LBE business, we have agreed to sell this business, subject to contract, for circa £100k in cash and will have an option to subscribe for 15% of the equity of the business in the event of a sale or stock market listing.

Further information will be provided upon completion of both transactions.

Outlook

Having recorded a strong H1 and record Q3 the directors are confident as to the outlook for the full year for the continuing operations. Whilst we are cognisant of the wider economic picture and are not naive enough to believe our consumers will be immune from the cost-of-living crisis, we continue to believe that there are substantial untapped growth opportunities in front of us in both the aquarium and zoo sectors on a global basis.

IMMOTION GROUP PLC
CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2022

	Notes	Unaudited 6m to 30 June 22 £'000	Restated* Unaudited 6m to 30 June 21 £'000	Restated* Audited 12m to 31 Dec 21 £'000
Continuing operations				
Revenue	3	4,420	2,335	6,388
Cost of sales		(2,398)	(1,312)	(3,569)
Gross profit		2,022	1,023	2,819
Other income	5	26	333	466
Administrative expenses		(2,361)	(2,433)	(5,056)
Operating loss		(313)	(1,077)	(1,771)
Memorandum:				
Adjusted EBITDA		482	206	946
Amortisation		(220)	(266)	(548)
Depreciation		(498)	(786)	(1,468)
Share based payments		(72)	(291)	(676)
Impairment of tangible and intangible assets		-	(1)	(74)
Profit on disposal of fixed assets		8	11	18
One-off costs & income		(13)	50	31
Loss from operations		(313)	(1,077)	(1,771)
Finance costs		(15)	(26)	(44)
Finance income		-	-	1
Loss before taxation		(328)	(1,103)	(1,814)
Tax (charge)/credit		(3)	12	38
Loss for the period from continuing operations		(331)	(1,091)	(1,776)
Discontinued operations				
Loss after tax from discontinued operations	4	(315)	(324)	(223)
Total expense for the period		(646)	(1,415)	(1,999)
Other comprehensive income / (expense) for the				
Profit/(loss) on translation of subsidiary		180	(20)	44
Total comprehensive expense for the period		(466)	(1,435)	(1,955)

* The results for the six months ended 30 June 2021 and the year ended 31 December 2021 have been restated to exclude the results of discontinued operations (refer to note 4).

IMMOTION GROUP PLC
CONSOLIDATED INCOME STATEMENT (CONTINUED)
for the six months ended 30 June 2022

	Notes	Unaudited 6m to 30 June 22	Restated* Unaudited 6m to 30 June 21	Restated* Audited 12m to 31 Dec 21
		£'000	£'000	£'000
Earnings/(loss) per share	6			
From continuing and discontinued operations		£0.01	£0.01	£0.01
Basic EPS		(0.16)	(0.34)	(0.48)
Diluted EPS		(0.16)	(0.34)	(0.48)
From continuing operations				
Basic EPS		(0.08)	(0.26)	(0.42)
Diluted EPS		(0.08)	(0.26)	(0.42)

** The results for the six months ended 30 June 2021 and the year ended 31 December 2021 have been restated to exclude the results of discontinued operations (refer to note 4).*

IMMOTION GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2022
(Unaudited)

	Share capital £'000	Share premium £'000	Retained earnings £'000	Foreign exchange reserve £'000	Total equity £'000
Balance at 31 December 2020	164	20,273	(13,643)	(80)	6,713
Total expense for the period	-	-	(1,415)	-	(1,415)
Currency translation of overseas subsidiary	-	-	-	(20)	(20)
Issue of new shares	2	298	-	-	300
Issue costs deducted from equity	-	(14)	-	-	(14)
Share based payment expense	-	-	291	-	291
Balance at 30 June 2021	166	20,556	(14,767)	(100)	5,855
Total expense for the period	-	-	(584)	-	(584)
Issue of new shares	-	-	-	-	-
Issue costs deducted from equity	-	-	-	-	-
Share based payment expense	-	-	385	-	385
Currency translation of overseas subsidiary	-	-	-	64	64
Balance at 31 Dec 2021	166	20,556	(14,966)	(36)	5,720
Total expense for the period	-	-	(646)	-	(646)
Currency translation of overseas subsidiary	-	-	-	180	180
Issue of new shares	-	-	-	-	-
Issue costs deducted from equity	-	-	-	-	-
Share based payment expense	-	-	72	-	72
Balance at 30 June 2022	166	20,556	(15,540)	144	5,326

IMMOTION GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 Dec 2021 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	1,547	1,444	1,062
Right of use assets	7	48	207	126
Intangible assets	8	3,002	3,448	3,305
Total non-current assets		4,597	5,099	4,493
Current assets				
Inventories		-	163	103
Trade and other receivables	9	1,233	1,412	1,783
Contract assets		64	91	83
Cash and cash equivalents		395	629	1,099
Total current assets		1,692	2,295	3,068
Assets held for sale	4	619	-	-
Total assets		6,908	7,394	7,561
LIABILITIES				
Current liabilities				
Trade and other payables	10	(1,113)	(959)	(1,103)
Finance leases		(61)	(222)	(171)
Loans		(98)	(140)	(130)
Contract liabilities		(19)	(7)	(278)
Total current liabilities		(1,291)	(1,328)	(1,682)
Total current net assets		401	967	1,386
Non-current liabilities				
Loans		(162)	(153)	(155)
Finance leases		-	(58)	(4)
Total non-current liabilities		(162)	(211)	(159)
Liabilities associated with assets held for sale	4	(129)	-	-
TOTAL NET ASSETS		5,326	5,855	5,720
CAPITAL AND RESERVES				
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Issued share capital	11	166	166	166
Share premium account		20,556	20,556	20,556
Foreign exchange reserve		144	(100)	(36)
Retained earnings		(15,540)	(14,767)	(14,966)
TOTAL EQUITY		5,326	5,855	5,720

IMMOTION GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2022

	Unaudited 6m to 30 June 2022 £'000	Restated* Unaudited 6m to 30 June 2021 £'000	Restated* Audited 12m to 31 Dec 2021 £'000
OPERATING ACTIVITIES			
Loss before tax from continuing operations	(328)	(1,103)	(1,814)
Loss before tax from discontinued operations	(315)	(324)	(223)
Adjustments for:			
Share based payments	72	291	676
Depreciation	501	786	1,470
Profit on disposal of fixed assets	(8)	(11)	(18)
Amortisation	304	313	641
Impairment of intangible assets	-	1	82
Impairment of assets held for sale	181	-	-
Finance costs	15	26	44
Finance income	-	-	(1)
Net foreign exchange differences	101	6	50
Foreign corporate tax payment	-	-	(3)
Taxation (paid) / refunded	(3)	(3)	84
Operating profit / (loss) before changes in working capital and provisions	520	(18)	988
(Increase) / decrease in inventories	(124)	(10)	49
(Increase) / decrease in receivables and contract assets	321	(569)	(989)
Increase / (decrease) in payables and contract liabilities	(120)	(200)	215
Net cash flows from / (used in) operating activities	597	(797)	263
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(859)	(217)	(425)
Purchase of intangible assets	(274)	(138)	(404)
Disposals of property, plant and equipment	9	27	41
Net cash flows from investing activities	(1,124)	(328)	(788)
FINANCING ACTIVITIES			
Finance costs	(15)	(26)	(44)
Finance income	-	-	1
New Loans and finance leases	101	116	119
Loan repayments	(152)	(154)	-
Finance lease repayments	(124)	(124)	(405)
Foreign exchange on retranslation of financing	36	(8)	3
Issue of ordinary shares	-	300	300
Costs on issue of shares	-	(14)	(14)
Net cash flows from financing activities	(154)	90	(40)
DECREASE IN CASH AND CASH EQUIVALENTS	(681)	(1,035)	(565)
Cash and cash equivalents brought forward	1,099	1,664	1,664
CASH AND CASH EQUIVALENTS CARRIED FORWARD	418	629	1,099

* The results for the six months ended 30 June 2021 and the year ended 31 December 2021 have been restated to exclude the results of discontinued operations (refer to note 4).

IMMOTION GROUP PLC
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2022

1 Corporate information

The interim consolidated financial statements of the Group for the period ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 30 September 2022. Immotion Group plc (“the Company”) is a Public Limited Company quoted on AIM, incorporated in England and Wales. The interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

2 Statement of accounting policies

2.1 Basis of preparation

The interim consolidated financial statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with the UK-adopted International Accounting Standard 34 *Interim Financial Reporting*.

The entities consolidated in the interim financial statements of the Group for the six months to 30 June 2022 comprise the Company and its subsidiaries (together referred to as “the Group”).

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2021.

The directors are satisfied that, at the time of approving the interim consolidated financial statements, it is appropriate to adopt a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

In reaching this conclusion, the directors considered the financial position of the Group and prepared forecasts and projections for the next 12 months, taking into account reasonably possible changes in trading performance and capital expenditure requirements.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

2.2 Accounting policies

The principal accounting policies adopted in the preparation of these interim statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021 other than:

- (i) the Group has adopted amended financial standards effective as of 1 January 2022. None of the amendments adopted on 1 January 2022 have had a material impact on the interim statements of the Group; and
- (ii) the Group has changed its depreciation policy in respect of certain VR hardware and VR content to seven years on a straight-line basis.

The preparation of these consolidated half year financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates in preparing these consolidated half year financial statements.

Discontinued operations and assets held for sale

The directors consider it probable that the sale of the Uvisan and Home Based Entertainment (HBE) businesses and net assets will be completed shortly. The Uvisan and HBE results have been separated from those of continuing operations and are shown as discontinued operations within the consolidated income statement. Comparative periods within the consolidated income statement have been restated accordingly. In accordance with IFRS 5, the Uvisan and HBE assets held for sale are valued at the lower of book value and fair value less selling costs. Further information on discontinued operations is contained in note 4.

2.2 Accounting policies (continued)

Impairment of intangible assets and goodwill – recoverable amounts are based on value in use calculations using management’s best estimate of future performance. On the basis of the forecast cash flows prepared it is concluded that no impairment of intangible assets and goodwill is required.

3 Segmental information

The Group’s primary reporting format for segmental information is business segments which reflect the management reporting structure in the Group. The information for discontinued segments is aggregated and shown as a separate segment.

6 months to 30 June 2022

			Total continuing operations 6m to 30 June	Discontinued operations 6m to 30 June	Total operations 6m to 30 June
	LBE	HO	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
Revenue	4,360	60	4,420	432	4,852
Cost of sales	(2,398)	-	(2,398)	(321)	(2,719)
Gross profit	1,962	60	2,022	111	2,133
Other income	6	20	26	-	26
Admin expenses*	(953)	(612)	(1,566)	(158)	(1,724)
Operating profit / (loss)	1,015	(532)	482	(47)	435
Amortisation	(180)	(40)	(220)	(84)	(304)
Depreciation	(444)	(54)	(498)	(3)	(501)
Impairment of assets held for sale	-	-	-	(181)	(181)
Profit on disposal of fixed assets	8	-	8	-	8
One-off costs & income	(7)	(6)	(13)	-	(13)
Finance costs	-	(15)	(15)	-	(15)
Share based payments	-	(72)	(72)	-	(72)
Taxation	(3)	-	(3)	-	(3)
Profit / (loss) for the period	388	(719)	(331)	(315)	(646)

LBE – Location Based Entertainment

HO – Head Office

The segments discontinued in the 6 months to 30 June 2022 were Uvisan, the sale of UV-C cleansing equipment and Home Based Entertainment (HBE) – the sale of in-home virtual reality equipment and experiences.

*Administrative expenses exclude depreciation, amortisation, impairment, loss on disposal, one-off costs and share based payments.

The segmental analysis above reflects the parameters applied by the Board when considering the Group’s monthly management accounts.

3 Segment information (continued)

Geographical disclosures

Continuing operations

The geographical breakdown of the Group's revenue, assets and net tangible capital expenditure for continuing operations is as follows. The comparative amounts for the period to 30 June 2021 and the year to 31 December 2021 are restated.

	External revenue by location of customer			Location of assets			Net tangible capital expenditure by location of assets		
	30 Jun 2022 £'000	30 Jun 2021 £'000	31 Dec 2021 £'000	30 Jun 2022 £'000	30 Jun 2021 £'000	31 Dec 2021 £'000	30 Jun 2022 £'000	30 Jun 2021 £'000	31 Dec 2021 £'000
USA & Canada	3,210	1,956	4,731	2,724	1,920	1,969	792	182	340
UK	922	199	1,341	4,160	5,361	5,542	61	29	75
Australia	167	115	146	5	26	10	6	6	3
Rest of Europe	28	2	23	15	15	10	-	-	7
China	63	32	86	-	6	3	-	-	-
Middle East	30	31	61	4	66	27	-	-	-
Total	4,420	2,335	6,388	6,908	7,394	7,561	859	217	425

The Group had certain customers whose revenue individually represented 10% or more of the Group's total revenue. For the six months ended 30 June 2022, two customers accounted for 37% and 28% of the revenue respectively.

4 Discontinued operations and assets held for sale

The Uvisan and HBE businesses and net assets are in the process of being sold with the sales expected to take place within the next few weeks. They are deemed to be discontinued operations as they represent separate major lines of business. The results for these businesses have been excluded from the continuing results of the Group for the period ended 30 June 2022. The results for the period ended 30 June 2021 and the year ended 31 December 2021 have been restated to exclude the results of these businesses from the continuing operations of the Group in those periods.

Summary income statement

The results for Uvisan and HBE included in the income statement as discontinued operations are as follows:

	Uvisan	HBE	Unaudited Total 6m to 30 June 2022 £'000	Restated Unaudited Total 6m to 30 June 2021 £'000	Restated Audited Total 12m to 31 Dec 2021 £'000
Discontinued operations	£'000	£'000	£'000	£'000	£'000
Revenue	329	103	432	425	3,003
Cost of sales	(152)	(169)	(321)	(468)	(2,626)
Government grants	-	-	-	66	66
Admin expenses	(108)	(50)	(158)	(261)	(481)
Operating profit / (loss)	69	(116)	(47)	(238)	(38)
Amortisation	(14)	(70)	(84)	(47)	(93)
Depreciation	(2)	(1)	(3)	(1)	(2)
Impairment of assets held for sale	(26)	(155)	(181)	-	(8)
One-off costs & income	-	-	-	(39)	(82)
Profit / (loss) for the period from discontinued operations	27	(342)	(315)	(324)	(223)

Uvisan – ultra violet disinfection equipment

HBE – Home Based Entertainment

Summary cash flow statement

The results for Uvisan and HBE included in the cash flow statement are as follows:

	Uvisan	HBE	Unaudited Total 6m to 30 June 2022 £'000	Restated Unaudited Total 6m to 30 June 2021 £'000	Restated Audited Total 12m to 31 Dec 2021 £'000
Discontinued operations	£'000	£'000	£'000	£'000	£'000
Operating activities					
Cash generated from / (used in) operating activities	23	(176)	(153)	(412)	(50)
Investing activities					
Purchase of property, plant and equipment	(10)	-	(10)	(2)	(7)
Purchase of intangible assets	(10)	-	(10)	(5)	(6)
Cash consumed by investing activities	(20)	-	(20)	(7)	(13)
Net cash flows from discontinued operations for the period	3	(176)	(173)	(419)	37

4 Discontinued operations and assets held for sale (continued)

Net assets held for sale:

The major classes of assets and liabilities classified as held for sale are as follows:

	Uvisan £'000	HBE £'000	Unaudited Total 6m to 30 June 2022 £'000
Discontinued operations			
Assets			
Property, plant and equipment	14	-	14
Intangible assets	38	250	288
Cash and cash equivalents	-	23	23
Other assets	131	343	474
Impairment of assets held for sale	(26)	(155)	(181)
Assets held for sale	157	461	618
Liabilities			
Liabilities directly associated with assets held for sale	(57)	(72)	(129)
Net assets held for sale	100	389	489

Other assets comprise inventories and receivables. Liabilities comprise payables, accruals and deferred income.

5 Other income

	Unaudited Six months to 30 June 22 £'000	Unaudited Six months to 30 June 21 £'000	Audited 12 months to 31 Dec 21 £'000
Continuing operations			
UK and USA national & local government COVID-19 relief programmes	6	318	437
Property rentals	20	15	29
	26	333	466

The Group is satisfied that it has met all the conditions relating to grants received and that no liability for repayment of any of the grants exists.

6 Earnings per share

The calculation of the group basic and diluted loss per ordinary share is based on the following data:

	Unaudited Six months to 30 June 22 £'000	Unaudited Six months to 30 June 21 £'000	Audited 12 months to 31 Dec 21 £'000
The earnings per share is based on the following:			
Continuing earnings post tax attributable to shareholders	(331)	(1,091)	(1,776)
Discontinued earnings post tax attributable to shareholders	(315)	(324)	(223)
Total earnings post tax attributable to shareholders	<u>(646)</u>	<u>(1,415)</u>	<u>(1,999)</u>
Basic weighted average number of shares	415,538,083	412,738,083	414,140,823
Diluted weighted average number of shares	<u>475,078,483</u>	<u>470,478,783</u>	<u>472,053,826</u>
From continuing and discontinued operations			
	£0.01	£0.01	£0.01
Basic earnings per share	(0.16)	(0.34)	(0.48)
Diluted earnings per share	<u>(0.16)</u>	<u>(0.34)</u>	<u>(0.48)</u>
From continuing operations			
Basic earnings per share	(0.08)	(0.26)	(0.42)
Diluted earnings per share	<u>(0.08)</u>	<u>(0.26)</u>	<u>(0.42)</u>

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the period. The weighted average number of equity shares in issue in the period to 30 June 2022 was 415,538,083.

7 Tangible assets

	Leasehold property £'000	IFRS16 Right-of- use assets £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 January 2022	379	642	2,699	3,720
Additions	14	-	845	859
Disposals	(9)	-	(76)	(85)
Foreign exchange adjustment	-	39	208	247
Assets held for sale	-	-	(18)	(18)
At 30 June 2022	384	681	3,658	4,723
Depreciation				
At 1 January 2022	315	516	1,701	2,532
Charge	39	83	379	501
Disposals	(7)	-	(77)	(84)
Foreign exchange adjustment	-	34	149	183
Assets held for sale	-	-	(4)	(4)
At 30 June 2022	347	633	2,148	3,128
Net book value				
30 June 2022	37	48	1,510	1,595
31 December 2021	64	126	998	1,188

The method of depreciation for each class of depreciable asset is:

Leasehold property	- Over term of lease
IFRS 16 right of use assets	- Over term of lease
Fixtures, fittings and equipment	- two to seven years on a straight-line basis

8 Intangible assets

	Other intangible assets £'000	Goodwill acquired on acquisition £'000	Development costs £'000	Total £'000
Cost				
At 1 January 2022	568	2,438	2,467	5,473
Additions	14	-	260	274
Foreign exchange adjustment	-	-	54	54
Assets held for sale	(17)	-	(465)	(482)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	565	2,438	2,316	5,319
Amortisation				
At 1 January 2022	545	-	1,623	2,168
Charge	10	-	294	304
Foreign exchange adjustment	-	-	39	39
Assets held for sale	(5)	-	(189)	(194)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	550	-	1,767	2,317
Net book value				
30 June 2022	15	2,438	549	3,002
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2021	23	2,438	844	3,305
	<hr/>	<hr/>	<hr/>	<hr/>

Development costs are comprised of software and VR content. Software is amortised on a straight-line basis over 3 years. VR content historically has been amortised on a straight-line basis over 3 years but the Group has changed its accounting policy for new projects effective from 1 January 2022 to amortise VR content over 7 years on a straight-line basis. For projects which are still underway and are not ready to be used no amortisation has been charged.

Other intangible assets comprise website development and trademark costs. Website development costs are amortised over 3 years and trademark costs over 2 years.

Goodwill is not amortised.

Amortisation is charged to administrative costs in the Consolidated Statement of Comprehensive Income.

9 Trade and other receivables

	Unaudited Six months to 30 June 22 £'000	Unaudited Six months to 30 June 21 £'000	Audited 12 months to 31 Dec 21 £'000
Trade receivables	815	630	836
Accrued income	47	24	45
Prepayments	262	599	663
Corporation tax	23	81	22
Other receivables	86	78	217
	<u>1,233</u>	<u>1,412</u>	<u>1,783</u>

10 Trade and other payables

	Unaudited Six months to 30 June 22 £'000	Unaudited Six months to 30 June 21 £'000	Audited 12 months to 31 Dec 21 £'000
Trade payables	467	500	548
Accruals	310	280	352
Taxation and social security	175	50	95
Other payables	161	129	108
	<u>1,113</u>	<u>959</u>	<u>1,103</u>

11 Share capital

Called up share capital Allotted, issued and fully paid	No.	Value £'000
Ordinary shares of 0.040108663 pence each	415,538,083	166

No shares were issued in the 6 month period to 30 June 2022.

12 Related party transactions

M J Higginson, a director of Immotion Group plc, is a director and controlling shareholder of M Capital Investment Properties Limited. Services to the value of £6k (year to 31 December 2021: £64k) were invoiced in the period by M Capital Investment Properties Limited to Immotion Group plc. At 30 June 2022, Immotion Group plc owed £Nil (31 December 2021: £Nil) to M Capital Investment Properties Limited.

R Miller, a director of Immotion Group plc, is a director of Robin Miller Consultants Ltd. In the period, services totalling £8k (year to 31 December 2021: £15k) were billed to Immotion Group plc from Robin Miller Consultants Ltd. At 30 June 2022, £1k (31 December 2021: £1k) was owing from Immotion Group Plc to Robin Miller Consultants Ltd.

M J Higginson, a director of Immotion Group plc, is a director and shareholder in Huddled Group Limited. Services to the value of £14k (year to 31 December 2021: £40k) were invoiced in the period by Huddled Group Limited to the Group. At 30 June 2022, the Group owed £2k (31 December 2021: £8k) to Huddled Group Limited.

D Marks, a director of Immotion Group plc, was advanced a loan in a prior period by the subsidiary Immotion Studios Limited. Interest is currently charged on the loan at 2% per annum. At 30 June 2022, D Marks owed £16k (31 December 2021: £16k) inclusive of interest, to the Group.

The total amounts paid to key management personnel during the period was £386k (year to 31 December 2021: £616k). The key management personnel are considered to be the directors of Immotion Group plc.